

Message Text

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ACTION NEA-09

INFO OCT-01 EUR-12 IO-10 ISO-00 CIAE-00 INR-07 JUSE-00

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SS-15 AID-05 AGR-05 EB-07 COME-00 /104 W

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FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 8593

INFO AMEMBASSY ANKARA

USMISSION GENEVA

DEA HQS WASHDC

C O N F I D E N T I A L NEW DELHI 6227

E.O. 11652: GDS

TAGS: SNAR, IN

SUBJ: INDIAN OPIUM PRODUCTION FOR 1975

SUMMARY: ACCORDING TO A GOI NARCOTICS OFFICIAL, TOTAL GUM OPIUM PRODUCTION IN 1975 IS ESTIMATED AT 1,050 TONS. ABOUT 850 TONS OF OPIUM WILL BE AVAILABLE FOR EXPORT, AND U.S. FIRMS SHOULD RECEIVE A COMBINED TOTAL OF 200 TONS. END SUMMARY.

1. EMBOFF DISCUSSED INDIAN OPIUM PRODUCTION FOR 1975 WITH DEPUTY SECRETARY A.P. AGRAWAL OF THE FINANCE MINISTRY. ACCORDING TO AGRAWAL, THE INDIANS WERE PLEASANTLY SURPRISED BY THIS YEAR'S HARVEST, WHICH IS AT LEAST TEN PERCENT BETTER THAN LAST YEAR. THE GOI ESTIMATES TOTAL GUM OPIUM PRODUCTION FOR 1975 WILL BE ROUGHLY 1,050 TONS, OF WHICH 200 TONS WILL BE USED TO OBTAIN CODEINE FOR INDIAN DOMESTIC USE. THIS WOULD LEAVE 850 TONS AVAILABLE FOR EXPORT. THE GOI PLANS TO GIVE A COMBINED EXPORT ALLOCATION OF 200 TONS TO US PHARMACEUTICAL FIRMS, AN AMOUNT ABOUT THE SAME AS IN 1974.

2. AGRAWAL NOTED THAT THE 200 TONS OF GUM OPIUM RESERVED FOR

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INDIAN DOMESTIC USE WOULD BE ALLOCATED AS FOLLOWS: 85 TONS FOR

THE GHAZIPUR CODEINE FACTORY, 50 TONS FOR THE NOW NEEMUCH CODEINE PLANT, AND 65 TONS TO BE BARTERED WITH FOREIGN DRUG COMPANIES IN EXCHANGE FOR REFINED CODEINE. AGRAWAL REMARKED THAT THE 65 TONS FOR BARTER HAD ALREADY BEEN ALLOCATED AS AN "OPIUM BONUS" TO PENICK (52 TONS) AND A YUGOSLAV FIRM (13 TONS), IN EXCHANGE FOR 5 TONS OF CEDEINE. THESE FIGURES--AND NOT THOSE SUPPLIED BY REVENUE COMMISSIONER JASJIT SINGH (ND 6146)-SHOULD BE ACCEPTED AS ACCURATE. THESE SPECIAL "OPIUM BONUS" ALLOCATIONS WOULD NOT BE COUNTED AGAINST THE NORMAL EXPORT SHARES OF PENICK AND THE YUGOSLAVS. AGRAWAL REMARKED THAT IF THE NEEMUCH PLANT DID NOT GO INTO FULL PRODUCTION IN 1975, THE 50 TONS ALLOCATED FOR IT WOULD BE AUCTIONED OFF TO FOREIGN DRUG COMPANIES AT THE END OF THIS YEAR.

3. THE GOI EXPECTS THAT UP TO 15,000 TONS OF BULK POPPY STRAW WILL BE EXPORTED IN 1975, MAINLY TO THE NETHERLANDS, HUNGARY, AND EAST GERMANY. NEGOTIATIONS ARE CONTINUING ON THE CONSTRUCTION OF A POPPY STRAW PLANT IN INDIA.

4. AGRAWAL REMARKED THAT THE INDIANS ARE SURPRISED AT THE EXORBITANT PRICES THAT FOREIGN PHARMACEUTICAL COMPANIES ARE WILLING TO PAY IN ORDER TO PROCURE RAW OPIUM. HE CITED A RECENT PURCHASE BY MALLINCKRODT OF 15 TONS OF CONFISCATED OPIUM IN KABUL: MALLINCKRODT PAID \$7.50 A MORPHINE UNIT FOR OPIUM ONLY HALF AS PURE AS INDIAN OPIUM, WHICH IS CURRENTLY EXPORTED AT \$4.90 A MORPHINE UNIT.
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